## Remarks

Claims 1-8, 10-18, 20-23, and 25-27 are pending. Claims 1-8, 10-18, 20-23, and 25-27 stand rejected. Applicant respectfully traverses the rejection and requests allowance of claims 1-8, 10-18, 20-23, and 25-27.

Claims 1-8, 10-18, 20-23, and 25-27 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent 6,718,551 (Swix et al.) in view of NDS: NDS' XTV(TM) time shifting technology empowers the viewer and the broadcaster", M2 Presswire, Sept. 10, 1999, (hereinafter the XTV reference).

Claims 1, 12, and 22 require selecting video advertising that has a subject matter relation to the selected video content requested by the target viewer. Claims 1, 12, and 22 require disabling a fast-forward capability when the selected video advertising is displayed. Advantageously, the invention can target advertising to a specific viewer's interests.

Swix does not select video advertising that has a subject matter relation to the selected video content requested by the target viewer. In contrast, Swix discloses selecting advertising based on a viewer demographics classification. Swix teaches that "For subscriber analysis, profile processor 104 constructs a customer profile based on subscriber data and classifies the customer profile within a demographic group" (see col. 7, lines 33-35)(emphasis added). Swix states that "the operation of the present invention comprises collecting subscriber viewing selections, organizing and analyzing the selections, determining a subscriber's customer profile and demographic group, and delivering an advertisement targeted to the demographic group" (see col. 8, lines 4-8)(emphasis added). Swix states that "the customer profiles and the available advertisements are classified in demographic groups. Thus, the present invention delivers advertisements classified under a certain demographic group to subscribers having customer profiles classified under the same demographic group" (see col. 11, lines 25-30).

The Office Action correctly notes that Swix does not teach or suggest disabling of a fast-forward.

The XTV reference cited in the Office Action is not a video-on-demand system and therefore cannot be combined with the Swix reference. The XTV reference teaches a digital television recording device that records broadcast television programming for later playback. A user can select and play stored programs at his or her convenience. The XTV device can be programmed to record and store programs using various user-selected and system-learned criteria. The XTV reference states that it is a near video-on-demand device, wherein movies are downloaded and stored on the user's set-top box in anticipation that the user may choose to select and view a stored movie at a later time. However, the XTV reference does not teach or suggest video-on-demand.

In addition, the XTV reference does not anywhere state that a fast-forwarding capability is disabled during the playing of advertisements. Instead, the XTV reference merely states that "XTV can even totally prevent ad skipping." The XTV reference does not explain how ads are skipped and does not teach or suggest fast-forwarding. Therefore, disabling of fast-forwarding in the XTV reference does not exist and is improperly read into the reference.

Independent claims 1, 12, and 22 therefore include features that are neither taught nor suggested by either Swix or the XTV reference, alone or in combination. Claims 2-8, 10-11, 13-18, 20-21, 23, and 25-27 depend from claims 1, 12, and 22, and are patentable for at least the reasons given above.

Applicants submit that there are numerous additional reasons in support of patentability, but that such reasons are most in light of the above remarks and are omitted in the interests of brevity. Applicants respectfully request allowance of claims 1-8, 10-18, 20-23, and 25-27.

Please feel free to call me to discuss the patentability of the pending claims.

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